Federal Operating Permit Article 3

This permit is based upon Federal Clean Air Act acid rain permitting requirements of Title IV, federal operating permit requirements of Title V; and Chapter 80, Article 3 and Chapter 140 of the State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution. Until such time as this permit is reopened and revised, modified, revoked, terminated or expires, the permittee is authorized to operate in accordance with the terms and conditions contained herein. This permit is issued under the authority of Title 10.1, Chapter 13,: 10.1-1322 of the Air Pollution Control Law of Virginia. This permit is issued consistent with the Administrative Process Act, 9 VAC 5-80-360 through 9 VAC 5-80-700, and 9 VAC 5-140-10 through 9 VAC 5-140-900 of the State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution of the Commonwealth of Virginia.

Authorization to operate a Stationary Source of Air Pollution as described in this permit is hereby granted to:

Permittee Name: Commonwealth Chesapeake Company, LLC Facility Name: Commonwealth Chesapeake Power Station

Facility Location: 3415 White Oak Way

New Church, VA 23415-2948

Registration Number: 40898
Permit Number: TRO-40898

This permit includes the following programs:

Federally Enforceable Requirements - Clean Air Act (Sections I through VI)
Federally Enforceable Requirements - Title IV Acid Rain (Section VII)
Federally Enforceable Requirements - NOx Budget Trading Requirements (Section VIII)
Federally Enforceable Requirements - CAIR Requirements (Section IX)
State Only Enforceable Requirements (Section X)

February 4, 2008 Effective Date	
December 31, 2009 Expiration Date	
Maria R. Nold	February 4, 2008
Deputy Regional Director	Signature Date

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I. Facility Information

Permittee

Commonwealth Chesapeake Company, LLC 1044 N 115th St, Suite 400 Omaha, NE 68154-4446

Facility Owner and Operator

Commonwealth Chesapeake Company, LLC 1044 N 115th St., Suite 400 Omaha, NE 68154-4446

Responsible Official (Acid Rain, NOx Budget, CAIR)

Greg Kunkel Vice President, Environmental Affairs USEPA ATS-AAR ID Number - 798

Facility ID

Commonwealth Chesapeake Power Station 3415 White Oak Way New Church, VA 23415-2948

Facility Contact Person

Dan Runde

General Manager, Commonwealth Chesapeake Power Station

Phone Number: (757) 824-3340

County-Plant I Identification Number: 51-001-00030

ORIS Code: 055381

NATS Facility Identification Number: 055381

Facility Description: NAICS - 221112

Commonwealth Chesapeake Power Station functions as a peaker plant with seven GE LM6000 simple cycle combustion turbines fired only on distillate oil to generate electricity.

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II. Emission Units

Equipment to be operated consists of:

Emission Unit ID	Stack ID	Emission Unit Description	Size/Rated Capacity*	Pollution Control Device (PCD) Description	PCD ID	Pollutant Controlled	Applicable Permit Date
Combustion	Turbines						
CT-1 thru 7	CT 1-7	GE LM6000. CT 1 thru 3. Installed 2000. CT 4 thru 7. Installed 2001.	Each 43.3 megawatts at ISO conditions	GE water injection on each CT, 2000 and 2001.	WI 1-7	NOx	NSR Permit of 10/05/2000, amended on 3/8/06
Distillate Oil	Storage Ta	nks					
T-1, 2, & 3	T 1-3	Above ground fixed roof tanks. 2000 & 2001	Each at 2.5 million gal	N/A	N/A	N/A	NSR Permit of 10/05/2000, amended on 3/8/06
T-4 & 5	T 4 & 5	Above ground fixed roof tanks. 2001	Each at 225,000 gal	N/A	N/A	N/A	NSR Permit of 10/05/2000, amended on 3/8/06

^{*} Note: If more than one date is included, please add footnote clarifying which date is for permit and which dates are for amendments.

III. Fuel Burning Equipment Requirements - (emission unit ID# CT1-CT7)

A. Limitations

- 1. The permittee shall meet all the applicable requirements of 40 CFR 60, Subpart GG Standards of Performance for Stationary Gas Turbines.
 - (9 VAC 5-80-490 B & C and Condition 3 of 10/05/00 permit amended on 3/8/06)
- 2. Particulate matter emissions from each combustion turbine shall be controlled by the use of distillate oil, a clean burning fuel. A change in the fuel may require a permit to modify and operate. (9 VAC 5-80-490 B & C and Condition 4 of 10/05/00 permit amended on 3/8/06)
- Sulfur dioxide and sulfuric acid mist emissions from each combustion turbine shall be controlled by the use of distillate oil with sulfur not to exceed 0.05% by weight.
 (9 VAC 5-80-490 B & C and Condition 5 of 10/05/00 permit amended on 3/8/06)
- 4. Nitrogen oxide emissions from each combustion turbine shall be controlled by water injection except during startup and shutdown when the use of water injection would interfere with turbine operations. The rate of water injection shall be at least that established during emissions tests as being sufficient to meet the emissions standards set forth in this permit.
 - (9 VAC 5-80-490 B & C and Condition 6 of 10/05/00 permit amended on 3/8/06)
- Carbon monoxide and volatile organic compound emissions from each combustion turbine shall be controlled by the use of good combustion operating practices.
 (9 VAC 5-80-490 B & C and Condition 7 of 10/05/00 permit amended on 3/8/06)
- 6. Combustion turbines CT-1, 2, 3, 4, 5, 6, and 7 (combined) shall not use more than 42.0 million gallons of distillate oil each year, calculated as the sum of each consecutive 12 month period. (9 VAC 5-80-490 B & C and Condition 9 of 10/05/00 permit amended on 3/8/06)
- 7. Combustion turbines 1-3 (combined) shall not operate more than 6,000 hours per year, and combustion turbines 4-7 (combined) shall not operate more than 8,000 hours per year, which means that the seven turbines can be operated simultaneously for up to 2000 hours per year. The number of operating hours for each combustion turbine shall be calculated as the sum of each consecutive 12-month period. (9 VAC 5-80-490 B & C Condition 10 of 10/05/00 permit amended on 3/8/06)
- 8. Except during startup and shutdown, each combustion turbine shall not operate at less than 70% of capacity. (9 VAC 5-80-490 B & C and Condition 11 of 10/05/00 permit amended on 3/8/06)
- 9. The permittee is authorized to store distillate oil in storage tanks with Unit Reference Nos. T-1 through T-5. A change in the materials stored may require a permit to modify and operate.

 (9 VAC 5-80-490 B & C and Condition 12 of 10/05/00 permit amended on 3/8/06)

10. Emissions from the operation of the combustion turbines CT 1, 2, and 3 shall not exceed the limits as specified below:

	(each at 100% of capacity)	(combined total)	
	lb/hr	tons/yr	
Particulate Matter	10.3	30.9	
PM-10	10.3	30.9	
Sulfur Dioxide	23.9	65.1	
Nitrogen Oxides (as NO ₂)	$(42 \text{ ppmvd* for FBN} \le 0.015\%)$		
	85.1	243.6**	
Nitrogen Oxides (as NO ₂)	(42 + 400 FBN) ppmvd* fo	$r 0.015\% < FBN \le 0.05\%$	
	125.6	243.6**	
Carbon Monoxide	30.0	90.0	
Volatile Organic Compounds	5.6	16.8	
Sulfuric Acid Mist	2.7	7.4	

(Annual tons/yr is calculated as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.)

FBN - Fuel Bound Nitrogen, percent by weight.

These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits may be considered credible evidence of the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Condition numbers 6, 7 and 13 of this section.

(9 VAC 5-80-490 B & C and Condition 20 of 10/05/00 permit amended on 3/8/06)

^{*(}one hour average at 15% oxygen, adjusted to ISO standard ambient conditions)

^{**(}includes all operating hours per year--normal operations with the water injection system and startup, shutdown, or any malfunctions when the water injection system is not used)

11. Emissions from the operation of the combustion turbines CT 4, 5, 6, and 7 shall not exceed the limits as specified below:

	(each at 100% of capacity)	(combined total)	
	lb/hr	tons/yr	
Particulate Matter	10.3	41.2	
PM-10	10.3	41.2	
Sulfur Dioxide	23.9	86.8	
Nitrogen Oxides (as NO ₂)	$(42 \text{ ppmvd* for FBN} \le 0.015\%)$		
	85.1	322.4**	
Nitrogen Oxides (as NO ₂)	(42 + 400 FBN) ppmvd* fo	$r 0.015\% < FBN \le 0.05\%$	
	125.6	476.0**	
Carbon Monoxide	30.0	120.0	
Volatile Organic Compounds	5.6	22.4	
Sulfuric Acid Mist	2.7	9.9	

(Annual tons/yr is calculated as the sum of each consecutive 12-month period. Compliance for the consecutive 12month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.)

FBN - Fuel Bound Nitrogen, percent by weight.

These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits may be considered credible evidence of the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Condition numbers 6, 7 and 13 of this section.

(9 VAC 5-80-490 B & C and Condition 20 of 10/05/00 permit amended on 3/8/06)

12. Emissions from the operation of the fuel oil storage tanks T 1-5 (combined) shall not exceed the limits as specified below:

Volatile Organic Compounds

1.8 tons/yr

These emissions are derived from the estimated overall emission contribution from operating limits and emission factors supplied by the permittee. Exceedances of the operating limits shall be considered credible evidence of the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Condition number 6 of this section.

- (9 VAC 5-80-490 B & C and Condition 22 of 10/05/00 permit amended on 3/8/06)
- 13. Visible emissions from each combustion turbine exhaust stack shall not exceed 10% opacity as determined by EPA Method 9 (Reference 40 CFR 60, Appendix A). This condition applies at all times except during startup, shut-down or malfunction.
 - (9 VAC 5-80-490 B & C and Condition 23 of 10/05/00 permit amended on 3/8/06)

^{*(}one hour average at 15% oxygen, adjusted to ISO standard ambient conditions)

^{**(}includes all operating hours per year--normal operations with the water injection system and startup, shutdown, or any malfunctions when the water injection system is not used)

- 14. In order to minimize the duration and frequency of excess emissions due to malfunctions of process equipment or air pollution control equipment, the permittee shall:
 - a. Develop a maintenance schedule and maintain records of all scheduled and non-scheduled maintenance;
 - b. Maintain an inventory of spare parts that are needed to minimize durations of air pollution control equipment breakdowns.
 - (9 VAC 5-80-490 B & C and Condition 29 of 10/05/00 permit amended on 3/8/06)
- 15. Operators shall be trained in the proper operation of all related air pollution control equipment and shall be familiar with the written operating procedures. These procedures shall be based on the manufacturer's recommendations, at a minimum.
 - (9 VAC 5-80-490 B & C and Condition 30 of 10/05/00 permit amended on 3/8/06)
- 16. The sulfur content and fuel-bound nitrogen content of the distillate oil to be burned in the combustion turbines shall not each exceed 0.05 percent by weight per shipment.
 - (9 VAC 5-80-490 B & C and Condition 13 of 10/05/00 permit amended on 3/8/06)

B. Monitoring

- 1. Scenario #1 for sulfur and nitrogen content of fuel oil: The permittee shall obtain a fuel certification from the fuel supplier with each shipment of distillate oil delivered to each turbine fuel storage tank. Each fuel supplier certification shall include the following:
 - a. The name of the fuel supplier;
 - b. The date on which the distillate oil was received;
 - c. The volume of distillate oil delivered in the shipment;
 - d. A statement that the distillate oil complies with the American Society for Testing and Materials specifications for numbers 1 or 2 fuel oil;
 - e. The sulfur content of the distillate oil and indicate which ASTM method was used to determine the sulfur content: ASTM D 2880-71, 78, or 96, ASTM D-1552, ASTM D-129, or other approved method,
 - f. The nitrogen content of the distillate oil and indicate which ASTM method was used to determine the nitrogen content: ASTM D-3228, ASTM D-5291, or other approved method.
 - (9 VAC 5-80-490 E and Condition 13 of 10/05/00 permit amended on 3/8/06)
- 2. Scenario #2 for sulfur and nitrogen content of fuel oil: If the permittee does not obtain a fuel certification from the fuel supplier with each shipment of distillate oil delivered to the turbine fuel storage tank(s) under Scenario #1, the permittee shall sample and analyze the fuel from the tank(s) after each filling process has been completed to determine:
 - a. The distillate oil complies with the American Society for Testing and Materials specifications for numbers 1 or 2 fuel oil;
 - b. The sulfur content of the distillate oil by using ASTM D 2880-71, 78, or 96, ASTM D-1552, ASTM D-129, or other approved method,
 - c. The nitrogen content of the distillate oil by using ASTM D-3228, ASTM D-5291, or other approved method.
 - (9 VAC 5-80-490 E and Condition 13 of 10/05/00 permit amended on 3/8/06)
- 3. The continuous monitoring systems shall be installed and operated to monitor and record the fuel consumption and ratio of water injected to fuel being fired in each combustion turbine. These monitoring

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systems shall be operated at all times that water is being injected into the combustion turbines and shall be accurate to within \pm 5.0 percent. The systems shall be maintained and calibrated in accordance with manufacturer's specifications. As a minimum, calibration shall be done prior to the initial performance test and at least annually thereafter.

(9 VAC 5-80-490 E and Condition 17 of 10/05/00 permit amended on 3/8/06)

4. The permittee shall perform monthly visual observations on each turbine stack exhaust during daylight hours of normal operations for visible emissions. If visible emissions are noted from the stack, a visible emissions evaluation (VEE) shall be immediately conducted on the stack for at least six minutes in accordance with Method 9 (40 CFR 60, Appendix A). If the VEE opacity average exceeds 5%, the VEE shall continue for one hour from initiation on the turbine stack to determine compliance with the opacity limit. The permittee shall record the details of the visual observations, VEE, and any maintenance actions to reduce opacity. (9 VAC 5-80-490 E)

C. Recordkeeping

- 1. The permittee shall maintain records of all emission data and operating parameters necessary to demonstrate compliance with this permit. The content of and format of such records shall be arranged with the Director, Tidewater Regional Office. These records shall include, but are not limited to:
 - a. The total operating hours per year for each combustion turbine with combined operating hours for CT 1-3 and CT 4-7, calculated as the sum of each consecutive 12-month period;
 - b. All the fuel oil analysis reports for sulfur and nitrogen content in accordance with Condition III.B.1 and/or 2:
 - c. Oil shipments purchased, indicating the name of the supplier, date of purchase, type and volume of fuel per each shipment;
 - d. Annual amount of distillate oil consumed by all turbines, calculated as the sum of each consecutive 12-month period;
 - e. Monthly and annual NO_x and SO₂ emission calculations. Monthly and annual emissions calculations for all other pollutants listed in Conditions III.A.10, 11, and 12, based on the usage of DEQ approved emission factors;
 - f. Listing of DEO approved emission factors for pollutants listed in Condition III.A.10, 11, and 12;
 - g. Records of products stored in tanks T 1-5 and dimensions and storage capacity of each tank;
 - h. Semi-annual excess emissions reports;
 - i. The records of the required training including a statement of time, place and nature of the training provided;
 - j. The written operating procedures for related air pollution control equipment;
 - k. Records of scheduled and unscheduled maintenance on turbines and air pollution control equipment;
 - 1. Turbine stack visual observations and VEEs:

All records required by this condition shall be kept at the facility and made available for inspection by the DEQ and shall be current for the most recent five years.

(9 VAC 5-80-490 C & F, Conditions 13, 25, 29, and 30 of 10/05/00 permit amended on 3/8/06)

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D. Testing

- 1. After the initial performance tests, performance tests shall be conducted on one combustion turbine each calendar year. A different turbine shall be selected each year such that each turbine selected shall be tested about every seven years for nitrogen oxides while operating at 70% and 100% of capacity by using Method 20 (40 CFR Part 60, Appendix A) to determine compliance with NO_x limits specified in Conditions III.A. 10 or 11. The tests shall be performed anytime during each calendar year following the initial performance test year. Tests shall be conducted and reported and data reduced as set forth in 9 VAC 5-50-30, and the test methods and procedures contained in each applicable section or subpart listed in 9 VAC 5-50-410. The details of the tests are to be arranged with the Director, Tidewater Regional Office.

 (9 VAC 5-80-490 E & F and Condition 15 of 10/05/00 permit amended on 3/8/06)
- 2. Concurrently with the annual performance tests for the selected turbine being tested, a Visible Emission Evaluation (VEE) in accordance with 40 CFR, Part 60, Appendix A, Method 9, shall also be conducted on the combustion turbine stack while operating at 70% and 100% of capacity. The test shall consist of 10 sets of 24 consecutive observations (at 15 second intervals) to yield 6-minute averages.
 (9 VAC 5-80-490 E & F and Condition 16 of 10/05/00 permit amended on 3/8/06)
- 3. The permitted facility shall be constructed so as to allow for emissions testing at any time using appropriate methods. Upon request from the Department, test ports will be provided at the appropriate locations. (9 VAC 5-50-30 and 9 VAC 5-80-490 E & F)
- If testing is conducted in addition to the monitoring specified in this permit, the permittee shall use the appropriate methods in accordance with procedures approved by the DEQ. (9 VAC 5-80-490 E)

E. Reporting

- 1. The permittee shall submit a protocol for the annual combustion turbine test, required by Condition III.D.1, at least 30 days prior to testing. One copy of the test results shall be submitted to the Director, Tidewater Regional Office within 45 days after test completion and shall conform to the test report format enclosed with this permit.
 - (9 VAC 5-80-490 F and Condition 15 of 10/05/00 permit amended on 3/8/06)
- 2. A copy of the visible emissions test results, required by Condition III.D.2, shall be submitted to the Director, Tidewater Regional Office within 45 days after test completion and shall conform to the test report format enclosed with this permit.
 - (9 VAC 5-80-490 F and Condition 16 of 10/05/00 permit amended on 3/8/06)
- 3. Should conditions prevent accomplishing concurrent opacity observations with the annual performance test of the turbine, the Director, Tidewater Regional Office shall be notified in writing, within 7 days, and visible emissions testing to be rescheduled within 30 days. Rescheduled testing shall be conducted under the same conditions (as possible) as the initial performance tests and annual tests.
 - (9 VAC 5-80-490 F and Condition 16 of 10/05/00 permit amended on 3/8/06)

- 4. Semi-annual reports of excess emissions shall be submitted to the Director, Tidewater Regional Office in accordance with 40 CFR Part 60, Section 7(c). The time periods shall be the same as those listed in Condition VI.C. In addition to the information required by 40 CFR Part 60, Section 7(c), each report shall include the average water-to-fuel ratio, average fuel consumption, ambient conditions, gas turbine load, and nitrogen content of the fuel during the period of excess emissions. For the purpose of this report, periods of excess emissions are defined as follows:
 - a. Any one hour period during which the average water-to-fuel ratio, as measured by the continuous monitoring system, falls below the average water-to-fuel ratio determined to demonstrate compliance with the nitrogen oxide ppmvd limits specified in Condition III.A.10 or 11 during the most recent compliance test.
 - b. Any period during which the sulfur content of the distillate oil being fired in the combustion turbines exceeds 0.05 percent by weight.
 - c. Any period during which the nitrogen content of the distillate oil being fired in the gas turbines exceeds 0.05 percent by weight.
 - (9 VAC 5-80-490 F and Condition 19 of 10/05/00 permit amended on 3/8/06)

IV. Insignificant Emission Units

The following emission units at the facility are identified in the application as insignificant emission units under 9 VAC 5-80-720:

Emission Unit No.	Emission Unit Description	Citation 9 VAC 5-80-720 A, or B, or C	Pollutant(s) Emitted (if applicable to 9 VAC 5-80-720 B)	Rated Capacity (if applicable to 9 VAC 5-80-720 C)
FP-1	Diesel engine for fire pump	9 VAC 5-80-720C		300 HP/hr
LO 1-7	CT lube oil tanks	9 VAC 5-80-720C	VOC	Less than 1000 gal each
FPT-1	Fire pump diesel fuel tank	9 VAC 5-80-720C	VOC	500 gal
Fugitive-1 (fuel oil)	Fugitives from unloading, processing and handling of distillate fuel oil	9 VAC 5-80-720C	VOC	N/A
Fugitive-2 (fuel oil)	Fugitives from small distillate oil storage tanks	9 VAC 5-80-720C	VOC	Each less than 500 gal
Fugitive-3 (Oil/water separator)	Fugitives from oil/water separator	9 VAC 5-80-720C	VOC	Less than 500 gal

These emission units are presumed to be in compliance with all requirements of the federal Clean Air Act as may apply. Based on this presumption, monitoring, recordkeeping and reporting shall not be required for these emission units in accordance with 9 VAC 5-80-490 C, E and F.

(9 VAC 5-80-490 F)

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V. Permit Shield & Inapplicable Requirements

Compliance with the provisions of this permit shall be deemed compliance with all applicable requirements in effect as of the permit issuance date as identified in this permit. This permit shield covers only those applicable requirements covered by terms and conditions in this permit and the following requirements which have been specifically identified as being not applicable to this permitted facility:

Citation	Title of Citation	Description of Applicability
40 CFR 64	Compliance Assurance Monitoring	CT 1-7 do not use air pollution control equipment to destroy pollutants.
40 CFR 61	NESHAPS	Source category not listed
40 CFR 63	MACTs	Not a major HAPS source
9 VAC 5 Chapter 80, Article 7 & 9 VAC 5 Chapter 60, Article 3	Major HAPS NSR Permitting	Not a major HAPS source
40 CFR 68	Prevention of Accidental Chemical Releases	Any chemicals on site are below threshold levels.

Nothing in this permit shield shall alter the provisions of §303 of the federal Clean Air Act, including the authority of the administrator under that section, the liability of the owner for any violation of applicable requirements prior to or at the time of permit issuance, or the ability to obtain information by the administrator pursuant to §114 of the federal Clean Air Act, (ii) the Board pursuant to §10.1-1314 or §10.1-1315 of the Virginia Air Pollution Control Law or (iii) the Department pursuant to §10.1-1307.3 of the Virginia Air Pollution Control Law.

(9 VAC 5-80-500)

VI. General Conditions

A. Federal Enforceability

All terms and conditions in this permit are enforceable by the administrator and citizens under the federal Clean Air Act, except those that have been designated as only state-enforceable. (9 VAC 5-80-490 N)

B. Permit Expiration

- 1. This permit has a fixed term of five years. The expiration date shall be the date five years from the original effective date of the permit. Unless the owner submits a timely and complete renewal application to DEQ consistent with 9 VAC 5-80-430, the right of the facility to operate shall terminate upon permit expriation.
 - a. The owner shall submit an application for renewal at least six months but no earlier than eighteen months prior to the date of permit expiration.
 - b. If an applicant submits a timely and complete application for an initial permit or renewal under this section, the failure of the source to have a permit or the operation of the source without a permit shall not be a violation of Article 3, Part II of 9 VAC 5 Chapter 80, until the Board takes final action on the application under 9 VAC 5-80-510.
 - c. No source shall operate after the time that it is required to submit a timely and complete application under subsections C and D of 9 VAC 5-80-430 for a renewal permit, except in compliance with a permit issued under Article 3, Part II of 9 VAC 5 Chapter 80.

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d. If an applicant submits a timely and complete application under section 9 VAC 5-80-430 for a permit renewal but the Board fails to issue or deny the renewal permit before the end of the term of the previous permit, (i) the previous permit shall not expire until the renewal permit has been issued or denied and (ii) all the terms and conditions of the previous permit, including any permit shield granted pursuant to 9 VAC 5-80-500, shall remain in effect from the date the application is determined to be complete until the renewal permit is issued or denied.

- e. The protection under subsections F 1 and F 5 (ii) of section 9 VAC 5-80-430 shall cease to apply if, subsequent to the completeness determination made pursuant section 9 VAC 5-80-430 D, the applicant fails to submit by the deadline specified in writing by the Board any additional information identified as being needed to process the application.
- (9 VAC 5-80-430 B, C and F, 9 VAC 5-80-490 D and 9 VAC 5-80-530 B)

C. Recordkeeping and Reporting

- 1. All records of monitoring information maintained to demonstrate compliance with the terms and conditions of this permit shall contain, where applicable, the following:
 - a. The date, place as defined in the permit, and time of sampling or measurements.
 - b. The date(s) analyses were performed.
 - c. The company or entity that performed the analyses.
 - d. The analytical techniques or methods used.
 - e. The results of such analyses.
 - f. The operating conditions existing at the time of sampling or measurement.
 - (9 VAC 5-80-490 F)
- 2. Records of all monitoring data and support information shall be retained for at least five years from the date of the monitoring sample, measurement, report, or application. Support information includes all calibration and maintenance records and all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by the permit.

(9 VAC 5-80-490 F)

- 3. The permittee shall submit the results of monitoring contained in any applicable requirement to DEQ no later than <u>March 1</u> and <u>September 1</u> of each calendar year. This report must be signed by a responsible official, consistent with 9 VAC 5-80-430 G and shall include:
 - a. The time period included in the report. The time periods to be addressed are January 1 to June 30 inclusive and July 1 to December 31 inclusive.
 - b. All deviations from permit requirements. For purposes of this permit, a deviation includes, but is not limited to:
 - (i) Exceedance of emissions limitations or operational restrictions,
 - (ii) Excursions from control device operating parameter requirements, as documented by continuous emission monitoring, periodic monitoring, or compliance assurance monitoring which indicates an exceedance of emission limitations or operational restrictions; or,
 - (iii) Failure to meet monitoring, recordkeeping, or reporting requirements contained in this permit.

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c. If there were no deviations from permit conditions during the time period, the permittee shall include a statement in the report that "no deviations from permit requirements occurred during this semi-annual reporting period."

(9 VAC 5-80-490 F)

D. Annual Compliance Certification

Exclusive of any reporting required to assure compliance with the terms and conditions of this permit or as part of a schedule of compliance contained in this permit, the permittee shall submit to EPA and DEQ no later than **March 1** each calendar year a certification of compliance with all terms and conditions of this permit including emission limitation standards or work practices. The compliance certification shall comply with such additional requirements that may be specified pursuant to §114(a)(3) and §504(b) of the federal Clean Air Act. This certification shall be signed by a responsible official, consistent with 9 VAC 5-80-430 G, and shall include:

- 1. The time period included in the certification. The time period to be addressed is January 1 to December 31.
- 2. A description of the means for assessing or monitoring the compliance of the source with its emissions limitations, standards, and work practices.
- 3. The identification of each term or condition of the permit that is the basis of the certification.
- 4. Consistent with subsection 9 VAC 5-80-490 E, the method or methods used for determining the compliance status of the source at the time of certification and over the certification period.
- 5. Whether compliance was continuous or intermittent, and if not continuous, documentation of each incident of non-compliance.
- 6. The status of compliance with the terms and conditions of this permit for the certification period.
- 7. Such other facts as the permit may require to determine the compliance status of the source.

One copy of the annual compliance certification shall be sent to EPA at the following address:

Clean Air Act Title V Compliance Certification (3AP00) U.S. Environmental Protection Agency, Region III 1650 Arch Street Philadelphia, PA 19103-2029.

(9 VAC 5-80-490 K.5)

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E. Permit Deviation Reporting

The permittee shall notify the Director, Tidewater Regional Office within four daytime business hours, after discovery of any deviations from permit requirements which may cause excess emissions for more than one hour, including those attributable to upset conditions as may be defined in this permit. In addition, within 14 days of the discovery, the permittee shall provide a written statement explaining the problem, any corrective actions or preventative measures taken, and the estimated duration of the permit deviation. Owners subject to the requirements of 9 VAC 5-50-50 C are not required to provide the written statement prescribed in this paragraph for facilities subject to the monitoring requirements of 9 VAC 5-50-40. The occurrence should also be reported in the next semi-annual compliance monitoring report pursuant to General Condition C.3. of this section. (9 VAC 5-80-490 F.2)

F. Failure/Malfunction Reporting

In the event that any affected facility or related air pollution control equipment fails or malfunctions in such a manner that may cause excess emissions for more than one hour, the owner shall, as soon as practicable but no later than four daytime business hours after discovery, notify the Director, Tidewater Regional Office by facsimile transmission, telephone or telegraph of such failure or malfunction and shall within 14-days provide a written statement giving all pertinent facts, including the estimated duration of the breakdown. Owners subject to the requirements of 9 VAC 5-50-50 C are not required to provide the written statement prescribed in this paragraph for facilities subject to the monitoring requirements of 9 VAC 5-50-40. When the condition causing the failure or malfunction has been corrected and the equipment is again in operation, the owner shall notify the Director, Tidewater Regional Office.

(9 VAC 5-20-180 C)

- 1. The emission units that have continuous monitors subject to 9 VAC 5-50-50 C are not subject to the two week written notification.
- 2. The emission units subject to the reporting and the procedure requirements of 9 VAC 5-50-50 C are units CT 1-7.
- 3. Each owner required to install a continuous monitoring system subject to 9 VAC 5-50-410 shall submit a written report of excess emissions (as defined in the applicable emission standard) to the board for every calendar quarter. All quarterly reports shall be postmarked by the 30th day following the end of each calendar quarter and shall include the following information:
 - a. The magnitude of excess emissions computed in accordance with 40 CFR 60.13(h), any conversion factors used, and the date and time of commencement and completion of each period of excess emissions;
 - b. Specific identification of each period of excess emissions that occurs during startups, shutdowns, and malfunctions of the source. The nature and cause of any malfunction (if known), the corrective action taken or preventative measures adopted;
 - c. The date and time identifying each period during which the continuous monitoring system was inoperative except for zero and span checks and the nature of the system repairs or adjustments; and
 - d. When no excess emissions have occurred or the continuous monitoring systems have not been inoperative, repaired or adjusted, such information shall be stated in the report.
- 4. All emission units not subject to 9 VAC 5-50-50 C must make written reports within 14 days of the malfunction occurrence.

(9 VAC 5-20-180 C, 9 VAC 5-40-50, and 9 VAC 5-50-50)

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G. Severability

The terms of this permit are severable. If any condition, requirement or portion of the permit is held invalid or inapplicable under any circumstance, such invalidity or inapplicability shall not affect or impair the remaining conditions, requirements, or portions of the permit.

(9 VAC 5-80-490 G.1)

H. Duty to Comply

The permittee shall comply with all terms and conditions of this permit. Any permit noncompliance constitutes a violation of the federal Clean Air Act or the Virginia Air Pollution Control Law or both and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application.

(9 VAC 5-80-490 G.2)

I. Need to Halt or Reduce Activity not a Defense

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit. (9 VAC 5-80-490 G.3)

J. Permit Modification

A physical change in, or change in the method of operation of, this stationary source may be subject to permitting under State Regulations 9 VAC 5-80-50, 9 VAC 5-80-1100, 9 VAC 5-80-1790, or 9 VAC 5-80-2000 and may require a permit modification and/or revisions except as may be authorized in any approved alternative operating scenarios.

(9 VAC 5-80-490 G and L)(9 VAC 5-80-550 and 9 VAC 5-80-660)

K. Property Rights

The permit does not convey any property rights of any sort, or any exclusive privilege. (9 VAC 5-80-490 G.5)

L. Duty to Submit Information

- 1. The permittee shall furnish to the board, within a reasonable time, any information that the board may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit or to determine compliance with the permit. Upon request, the permittee shall also furnish to the board copies of records required to be kept by the permit and, for information claimed to be confidential, the permittee shall furnish such records to the board along with a claim of confidentiality. (9 VAC 5-80-490 G.6)
- 2. Any document (including reports) required in a permit condition to be submitted to the board shall contain a certification by a responsible official that meets the requirements of 9 VAC 5-80-430 G.9. (9 VAC 5-80-490 K.1)

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M. Duty to Pay Permit Fees

The owner of any source for which a permit under 9 VAC 5-80-360 through 9 VAC 5-80-700 was issued shall pay permit fees consistent with the requirements of 9 VAC 5-80-310 et seq. The actual emissions covered by the permit program fees for the preceding year shall be calculated by the owner and submitted to the Department by April 15 of each year. The calculations and final amount of emissions are subject to verification and final determination by the Department. (9 VAC 5-80-490 H)

N. Fugitive Dust Emission Standards

During the operation of a stationary source or any other building, structure, facility or installation, no owner or other person shall cause or permit any materials or property to be handled, transported, stored, used, constructed, altered, repaired, or demolished without taking reasonable precautions to prevent particulate matter from becoming airborne. Such reasonable precautions may include, but are not limited, to the following:

- 1. Use, where possible, of water or chemicals for control of dust in the demolition of existing buildings or structures, construction operations, the grading of roads, or the clearing of land;
- 2. Application of asphalt, water, or suitable chemicals on dirt roads, materials stockpiles, and other surfaces which may create airborne dust; the paving of roadways and the maintaining of them in a clean condition;
- 3. Installation and use of hoods, fans, and fabric filters to enclose and vent the handling of dusty material. Adequate containment methods shall be employed during sandblasting or other similar operations;
- 4. Open equipment for conveying or transporting material likely to create objectionable air pollution when airborne shall be covered or treated in an equally effective manner at all times when in motion; and
- 5. The prompt removal of spilled or tracked dirt or other materials from paved streets and of dried sediments resulting from soil erosion.

(9 VAC 5-40-20 E, 9 VAC 5-50-90, and 9 VAC 5-50-50)

O. Startup, Shutdown, and Malfunction

At all times, including periods of startup, shutdown, and malfunction, owners shall, to the extent practicable, maintain and operate any affected facility including associated air pollution control equipment in a manner consistent with air pollution control practices for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the board, which may include, but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source.

(9 VAC 5-40-20 E, and 9 VAC 5-50-20 E)

P. Alternative Operating Scenarios

Contemporaneously with making a change between reasonably anticipated operating scenarios identified in this permit, the permittee shall record in a log at the permitted facility a record of the scenario under which it is operating. The permit shield described in 9 VAC 5-80-500 shall extend to all terms and conditions under each such operating scenario. The terms and conditions of each such alternative scenario shall meet all applicable requirements including the requirements of 9 VAC 5 Chapter 80 Article 3. (9 VAC 5-80-490 J)

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Q. Inspection and Entry Requirements

The permittee shall allow DEQ, upon presentation of credentials and other documents as may be required by law, to perform the following:

- 1. Enter upon the premises where the source is located or emissions-related activity is conducted, or where records must be kept under the terms and conditions of the permit.
- 2. Have access to and copy, at reasonable times, any records that must be kept under the terms and conditions of the permit.
- 3. Inspect at reasonable times any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under the permit.
- 4. Sample or monitor at reasonable times substances or parameters for the purpose of assuring compliance with the permit or applicable requirements.

(9 VAC 5-80-490 K.2)

R. Reopening For Cause

The permit shall be reopened by the board if additional federal requirements become applicable to a major source with a remaining permit term of three or more years. Such a reopening shall be completed not later than 18 months after promulgation of the applicable requirement. No such reopening is required if the effective date of the requirement is later than the date on which the permit is due to expire, unless the original permit or any of its terms and conditions has been extended pursuant to 9 VAC 5-80-430 F.

- 1. The permit shall be reopened if the board or the administrator determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit.
- 2. The permit shall be reopened if the administrator or the board determines that the permit must be revised or revoked to assure compliance with the applicable requirements.
- 3. The permit shall not be reopened by the board if additional applicable state requirements become applicable to a major source prior to the expiration date established under 9 VAC 5-80-490 D.

(9 VAC 5-80-490 L)

S. Permit Availability

Within five days after receipt of the issued permit, the permittee shall maintain the permit on the premises for which the permit has been issued and shall make the permit immediately available to DEQ upon request. (9 VAC 5-80-510 G)

T. Transfer of Permits

- 1. No person shall transfer a permit from one location to another or from one piece of equipment to another. (9 VAC 5-80-520)
- 2. In the case of a transfer of ownership of a stationary source, the new owner shall comply with any current permit issued to the previous owner. The new owner shall notify the board of the change in ownership within 30 days of the transfer and shall comply with the requirements of 9 VAC 5-80-560. (9 VAC 5-80-520)

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3. In the case of a name change of a stationary source, the owner shall comply with any current permit issued under the previous source name. The owner shall notify the board of the change in source name within 30 days of the name change and shall comply with the requirements of 9 VAC 5-80-560. (9 VAC 5-80-520)

U. Malfunction as an Affirmative Defense

- 1. A malfunction constitutes an affirmative defense to an action brought for noncompliance with technology-based emission limitations if the requirements of paragraph 2 of this condition are met.
- 2. The affirmative defense of malfunction shall be demonstrated by the permittee through properly signed, contemporaneous operating logs, or other relevant evidence that show the following:
 - a. A malfunction occurred and the permittee can identify the cause or causes of the malfunction.
 - b. The permitted facility was at the time being properly operated.
 - c. During the period of the malfunction the permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements in the permit.
 - d. The permittee notified the board of the malfunction within two working days following the time when the emission limitations were exceeded due to the malfunction. This notification shall include a description of the malfunction, any steps taken to mitigate emissions, and corrective actions taken. The notification may be delivered either orally or in writing. The notification may be delivered by electronic mail, facsimile transmission, telephone, or any other method that allows the permittee to comply with the deadline. This notification fulfills the requirements of 9 VAC 5-80-490 F.2.b to report promptly deviations from permit requirements. This notification does not release the permittee from the malfunction reporting requirement under 9 VAC 5-20-180 C.
- 3. In any enforcement proceeding, the permittee seeking to establish the occurrence of a malfunction shall have the burden of proof. The provisions of this section are in addition to any malfunction, emergency or upset provision contained in any requirement applicable to the source.
- 4. The provisions of this section are in addition to any malfunction, emergency or upset provision contained in any applicable requirement.

(9 VAC 5-80-650)

V. Permit Revocation or Termination for Cause

A permit may be revoked or terminated prior to its expiration date if the owner knowingly makes material misstatements in the permit application or any amendments thereto or if the permittee violates, fails, neglects or refuses to comply with the terms or conditions of the permit, any applicable requirements, or the applicable provisions of 9 VAC 5 Chapter 80 Article 3. The Board may suspend, under such conditions and for such period of time as the Board may prescribe any permit for any of the grounds for revocation or termination or for any other violations of these regulations.

(9 VAC 5-80-490 G & L, 9 VAC 5-80-640 and 9 VAC 5-80-660)

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W. Duty to Supplement or Correct Application

Any applicant who fails to submit any relevant facts or who has submitted incorrect information in a permit application shall, upon becoming aware of such failure or incorrect submittal, promptly submits such supplementary facts or corrections. An applicant shall also provide additional information as necessary to address any requirements that become applicable to the source after the date a complete application was filed but prior to release of a draft permit.

(9 VAC 5-80-430 E)

X. Stratospheric Ozone Protection

If the permittee handles or emits one or more Class I or II substance subject to a standard promulgated under or established by Title VI (Stratospheric Ozone Protection) of the federal Clean Air Act, the permittee shall comply with all applicable sections of 40 CFR Part 82, Subparts A to F. (40 CFR Part 82, Subparts A - F)

Y. Accidental Release Prevention

If the permittee has more, or will have more than a threshold quantity of a regulated substance in a process, as determined under 40 CFR 68.115, the permittee shall comply with the requirements of 40 CFR Part 68. (40 CFR Part 68)

Z. Changes to Permits for Emissions Trading

No permit revision shall be required, under any federally approved economic incentives, marketable permits, emissions trading and other similar programs or processes for changes that are provided for in this permit. (9 VAC 5-80-490 I)

AA. Emissions Trading

Where the trading of emissions increases and decreases within the permitted facility is to occur within the context of this permit and to the extent that the regulations provide for trading such increases and decreases without a case-by-case approval of each emissions trade:

- 1. All terms and conditions required under 9 VAC 5-80-490 except subsection N shall be included to determine compliance.
- 2. The permit shield described in 9 VAC 5-80-500 shall extend to all terms and conditions that allow such increases and decreases in emissions.
- 3. The owner shall meet all applicable requirements including the requirements of 9 VAC 5-80-360 through 9 VAC 5-80-700.

(9 VAC 5-80-490 I)

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VII. Title IV (Phase II Acid Rain) Permit Allowances and Requirements

A. Statutory and Regulatory Authorities

In accordance with the Air Pollution Control Law of Virginia §10.1-1308 and §10.1-1322, the Environmental Protection Agency (EPA) Final Full Approval of the Operating Permits Program (Titles IV and V) published in the Federal Register December 4, 2001, Volume 66, Number 233, Rules and Regulations, Pages 62961-62967 and effective November 30, 2001, and Title 40, the Code of Federal Regulations §72.1 through 76.16, the Commonwealth of Virginia Department of Environmental Quality issues this permit pursuant to 9 VAC 5 Chapter 80, Article 3 of the Virginia Regulations for the Control and Abatement of Air Pollution (Federal Operating Permit Article 3).

(9 VAC 5-80-490 B.2)

B. SO₂ Allowance Allocations and NO_x Requirements for affected units

		2005	2006	2007	2008	2009
CT 1-7 Each turbine is a 43.3 Mwe/hr (at ISO conditions) oil fired simple cycle gas turbine.	SO ₂ allowances, under Table 2, 40 CFR Part 73.	None ¹	None ¹	None ¹	None ¹	None ¹
	NOx limit:	N/A, not subject to 40 CFR 76.				

¹ See Subsection C.

(9 VAC 5-80-490 A.4)

C. Additional Requirements, Notes, Comments, and Justifications.

1. Additional Requirements:

a. Commonwealth Chesapeake Company, LLC shall submit a complete permit application that includes all of the information required under 40 CFR §72.21 and 72.31 at least 6 months, but no earlier than 18 months, prior to the date of expiration of the existing Phase II Acid Rain permit. EPA forms shall be used.

(9 VAC 5-80-430 C.5)

2. Notes.

a. SO₂ allowances may be acquired from other sources in addition to those allocated by U.S. EPA. No revision to this permit is necessary in order for the owners and operators of this unit to hold additional allowances recorded in accordance with 40 CFR Part 73. The owners and operators of this unit remain obligated to hold sufficient allowances to account for SO₂ emissions from this unit in accordance with 40 CFR 72.9(c)(1).

(9 VAC 5-80-420 C.1 and H.1 and 9 VAC 5-80-490 O)

b. These units were not eligible for SO₂ allowance allocation by U.S. EPA under §405 of the Clean Air Act and the Acid Rain Program, so none were assigned in 40 CFR Part 73, Table 2. (9 VAC 5-80-420 C.6)

VIII. NO_x Budget Trading Program Requirements

A. NO_x Budget Permit General Conditions

A review of the air emission units included in this permit approval has determined that the equipment listed in
the following table meets the definition of a NO_x Budget Unit and falls subject to the NO_x Budget emission
limitations under 9 VAC 5-140-40 or for opt-in sources 9 VAC 5-140-800. As required by 9 VAC 5-140-200
A, each NO_x Budget source is required to have a federally enforceable permit. This section of the document
represents the NO_x Budget permit.

(9 VAC 5-140-40) or (9 VAC 5-140-800)

Table VIII – 1 Facility NO _x Budget Units					
Facility Unit ID	Unit NATS Code	Unit Name and Description	Maximum Heat Capacity (MMBtu/hr) at ISO conditions	Maximum Generation Capacity (megawatts) at ISO conditions	
CTZ-001	055381	GE LM 6000 Gas Turbine	380	43.3	
CTZ-002	055381	GE LM 6000 Gas Turbine	380	43.3	
CTZ-003	055381	GE LM 6000 Gas Turbine	380	43.3	
CTZ-004	055381	GE LM 6000 Gas Turbine	380	43.3	
CTZ-005	055381	GE LM 6000 Gas Turbine	380	43.3	
CTZ-006	055381	GE LM 6000 Gas Turbine	380	43.3	
CTZ-007	055381	GE LM 6000 Gas Turbine	380	43.3	

 The NO_x Budget permit will be administrated by the VADEQ under the authority of 9 VAC 5-80-360 et seq., and 9 VAC 5-140-10 et seq. (9 VAC 5-140-200 A)

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B. Standard Requirements

- 1. Continuous Monitoring requirements.
 - a. The owners and operators and, to the extent applicable, the NO_X authorized account representative of each NO_X Budget source and each NO_X Budget unit at the source shall comply with the monitoring requirements of 9 VAC 5-140-700 et seq.
 - b. The emissions measurements recorded and reported in accordance with (9 VAC 5-140-700 et seq.) (subparts H of 40 CFR 75 and 40 CFR 97) shall be used to determine compliance by the unit with the NO_x Budget emissions limitation under Conditions B.2.a. through B.2.h of this section. The following approved methods will be used to calculate NO_x Control Period and Annual emission rates:

Table VIII - 2

(i) NO_x Mass Emission Rate Monitoring

Units	Item Monitored	Monitoring Methods
CT 1-7		(40 CFR 75)
Oil Fired	NO _x rate (lb/mm btu)	Appendix E
	HEAT rate (mm btu/hr)	Appendix D
LME Only Option	NO _x rate (lb/mm btu)	Appendix E, or default or unit specific from 40 CFR 75.19
	HEAT rate (mm btu/hr)	Appendix D, or default or unit specific from 40 CFR 75.19

(9 VAC 5-140-60 B.1 and 9 VAC 5-140-60 B.2)

2. Nitrogen oxides requirements.

a. The owners and operators of each NO_x Budget source and each NO_x Budget unit at the source shall hold NO_x allowances available for compliance deductions under 9 VAC 5-140-540 A, B, E, or F, as of the NO_x allowance transfer deadline, in the unit's compliance account and the source's overdraft account in an amount not less than the total NO_x emissions for the control period from the unit, as determined in accordance with Article 8 (9 VAC 5-140-700 et seq.), plus any amount necessary to account for actual utilization under 9 VAC 5-140-420 E for the control period or to account for excess emissions for a prior control period under 9 VAC 5-140-540 D or to account for withdrawal from the NO_x Budget Trading Program, or a change in regulatory status, of a NO_x Budget opt-in unit under 9 VAC 5-140-860 or 9 VAC 5-140-870.

(9 VAC 5-140-60 C.1)

- Each ton of nitrogen oxides emitted in excess of the NO_x Budget emissions limitation shall constitute a separate violation of the Clean Air Act, and applicable Virginia Air Pollution Control law. (9 VAC 5-140-60 C.2)
- c. A NO_x Budget unit shall be subject to the requirements under 9 VAC 5-140-60 C.1 starting on the later of May 31, 2004.
 (9 VAC 5-140-60 C.3)
- d. NO_x allowances shall be held in, deducted from, or transferred among NO_x Allowance Tracking System accounts in accordance with 9 VAC 5-140-400 et seq., 9 VAC 5-140-500 et seq., 9 VAC 5-140-600 et seq., and 9 VAC 5-140-800 et seq. (9 VAC 5-140-60 C.4)

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- e. A NO_X allowance shall not be deducted, in order to comply with the requirements under 9 VAC 5-140-60 C.1 for a control period in a year prior to the year for which the NO_X allowance was allocated. (9 VAC 5-140-60 C.5)
- f. A NO_X allowance allocated by the permitting authority or the administrator under the NO_X Budget Trading Program is a limited authorization to emit one ton of nitrogen oxides in accordance with the NO_X Budget Trading Program. No provision of the NO_X Budget Trading Program, the NO_X Budget permit application, the NO_X Budget permit, or an exemption under 9 VAC 5-140-50 and no provision of law shall be construed to limit the authority of the United States or the State to terminate or limit such authorization.

(9 VAC 5-140-60 C.6)

- g. A NO_x allowance allocated by the permitting authority or the administrator under the NO_x Budget Trading Program does not constitute a property right.
 (9 VAC 5-140-60 C.7)
- h. Upon recordation by the administrator under 9 VAC 5-140-500 et seq., 9 VAC 5-140-600 et seq., or 9 VAC 5-140-800 et seq., every allocation, transfer, or deduction of a NO_X allowance to or from a NO_X Budget unit's compliance account or the overdraft account of the source where the unit is located is deemed to amend automatically, and become a part of, any NO_X Budget permit of the NO_X Budget unit by operation of law without any further review.
 (9 VAC 5-140-60 C.8)
- 3. Excess emissions requirements.
 - a. The owners and operators of a NO_x Budget unit that has excess emissions in any control period shall:
 - (i) Surrender the NO_x allowances required for deduction under 9 VAC 5-140-540 D 1; and
 - (ii) Pay any fine, penalty, or assessment or comply with any other remedy imposed under 9 VAC 5-140-540 D 3.

(9 VAC 5-140-60 D)

C. Recordkeeping and Reporting Requirements.

The following requirements concerning recordkeeping and reporting shall apply:

- Unless otherwise provided, the owners and operators of the NO_x Budget source and each NO_x Budget unit at
 the source shall keep on site at the source each of the following documents for a period of five years from the
 date the document is created. This period may be extended for cause, at any time prior to the end of five
 years, in writing by the permitting authority or the administrator.
 (9 VAC 5-140-60 E.1)
 - a. The account certificate of representation for the NO_X authorized account representative for the source and each NO_X Budget unit at the source and all documents that demonstrate the truth of the statements in the account certificate of representation, in accordance with 9 VAC 5-140-130; provided that the certificate and documents shall be retained on site at the source beyond such five-year period until such documents are superseded because of the submission of a new account certificate of representation changing the NO_X authorized account representative.

(9 VAC 5-140-60 E.1)

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- All emissions monitoring information, in accordance with 9 VAC 5-140-700 et seq. of this part; provided that to the extent that 9 VAC 5-140-700 et seq. provides for a three-year period for recordkeeping, the three-year period shall apply.
 (9 VAC 5-140-60 E.1)
- c. Copies of all reports, compliance certifications, and other submissions and all records made or required under the NO_X Budget Trading Program. (9 VAC 5-140-60 E.1)
- d. Copies of all documents used to complete a NO_X Budget permit application and any other submission under the NO_X Budget Trading Program or to demonstrate compliance with the requirements of the NO_X Budget Trading Program.
 (9 VAC 5-140-60 E.1)
- 2. The NO_X authorized account representative of a NO_X Budget source and each NO_X Budget unit at the source shall submit the reports and compliance certifications required under the NO_X Budget Trading Program, including those under 9 VAC 5-140-300 et seq., 9 VAC 5-140-700 et seq., or 9 VAC 5-140-800 et seq. (9 VAC 5-140-60 E.2)

D. Emission Testing

- 1. The permitted facility shall be constructed so as to allow for emissions testing at any time using appropriate methods. Upon request from the Department, test ports will be provided at the appropriate locations. (9 VAC 5-50-30 and 9 VAC 5-140-710)
- If testing is conducted in addition to the monitoring specified in this permit, the permittee shall use test methods approved by DEQ. (9 VAC 5-140-700 to 710)

E. Liability

1. Any person who knowingly violates any requirement or prohibition of the NO_x Budget Trading Program, a NO_x Budget permit, or an exemption under 9 VAC 5-140-50 shall be subject to enforcement pursuant to applicable State or Federal law.

(9 VAC 5-140-60 F.1)

2. Any person who knowingly makes a false material statement in any record, submission, or report under the NO_x Budget Trading Program shall be subject to criminal enforcement pursuant to the applicable State or Federal law.

(9 VAC 5-140-60 F.2)

3. No permit revision shall excuse any violation of the requirements of the NO_x Budget Trading Program that occurs prior to the date that the revision takes effect.

(9 VAC 5-140-60 F.3)

4. Each NO_x Budget source and each NO_x Budget unit shall meet the requirements of the NO_x Budget Trading Program.

(9 VAC 5-140-60 F.4)

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- 5. Any provision of the NO_x Budget Trading Program that applies to a NO_x Budget source or the NO_x authorized account representative of a NO_x Budget source shall also apply to the owners and operators of such source and of the NO_x Budget units at the source.

 (9 VAC 5-140-60 F.5)
- 6. Any provision of the NO_x Budget Trading Program that applies to a NO_x Budget unit or the NO_x authorized account representative of a NO_x budget unit shall also apply to the owners and operators of such unit. Except with regard to the requirements applicable to units with a common stack under Article 8 (9 VAC 5-140-700 et seq.), the owners and operators and the NO_x authorized account representative of one NO_x Budget unit shall not be liable for any violation by any other NO_x Budget unit of which they are not owners or operators or the NO_x authorized account representative and that is located at a source of which they are not owners or operators or the NO_x authorized account representative. (9 VAC 5-140-60 F.6)

F. Effect on Other Authorities.

No provision of the NO_x Budget Trading Program, a NO_x Budget permit application, a NO_x Budget permit, or an exemption under 9 VAC 5-140-50 shall be construed as exempting or excluding the owners and operators and, to the extent applicable, the NO_x authorized account representative of a NO_x Budget source or NO_x Budget unit from compliance with any other provision of the applicable, approved State implementation plan, a federally enforceable permit, or the Clean Air Act. (9 VAC 5-140-60 G)

IX. Clean Air Interstate Rule (CAIR) Requirements

A. CAIR General Conditions

1. The permittee shall comply with all applicable CAIR requirements (9 VAC 5-140-1010 *et seq.*, 9 VAC 5-140-2010 *et seq.*, 9 VAC 5-140-3010 *et seq.*, and 40 CFR Part 96) by the compliance date in the respective Part of 9 VAC 5 Chapter 140. The CAIR application in Attachment A to this document contains specific conditions and expires upon expiration of this Title V permit. (9 VAC 5-80-110, 40 CFR Part 96, and 9 VAC 5 Chapter 140)

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X. State-Only Enforceable Requirements

The following terms and conditions are not required under the federal Clean Air Act or under any of its applicable federal requirements, and are not subject to the requirements of 9 VAC 5-80-690 concerning review of proposed permits by EPA and draft permits by affected states.

A. Limitations

1. Emissions from the operation of the combustion turbines CT 1-7 shall not exceed the limits as specified below:

(6	(each at 100% of capacity)	
	lb/hr	tons/yr
Hazardous Air Pollutants (as VOC) Formaldehyde	0.1	0.8
Hazardous Air Pollutants (as PM-10)		
Lead	0.006	0.04
Arsenic	0.005	0.03
Beryllium	0.0001	0.0009
Cadmium	0.002	0.01
Chromium	0.005	0.03
Manganese	0.4	2.3
Mercury	0.0005	0.004
Selenium	0.01	0.07

(Annual tons/yr is calculated as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.)

These emissions are derived from the estimated overall emission contribution from operating limits and emission factors supplied by the permittee. Exceedances of the operating limits shall be considered credible evidence of the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Conditions III.A.6 and III.A.7.

(Condition 35 of 10/05/00 permit amended on 3/8/06)

B. Recordkeeping

The permittee shall maintain records of all emission data and operating parameters necessary to demonstrate compliance with this permit. The content of and format of such records shall be arranged with the Director, Tidewater Regional Office. These records shall include, but are not limited to:

- 1. Monthly and annual emissions calculations for all other pollutants listed in Conditions IX.A. based on the usage of DEQ approved emission factors;
- 2. Listing of DEQ approved emission factors for pollutants listed in Condition IX.A;

All records required by this condition shall be kept at the facility and made available for inspection by the DEQ and shall be current for the most recent five years. (Condition 36 of 10/05/00 permit amended on 3/8/06)

Attachment A CAIR Application

CAIR Permit Application

(for sources covered under a CAIR SIP)

For more information, refer to 40 CFR 96.121, 96.122, 96.221, 96.222, 96.321, and 96.322

STEP 1 Identify the source by plant name, State, and ORIS or facility code This submission is: New Revised

Commonwealth Chesapeake Power Station VA 55381

Plant Name State ORIS/Facility Code

STEP 2
Enter the unit ID# for each CAIR unit and indicate to which CAIR programs each unit is subject (by placing an "X" in the column)

Unit ID#	NO _x Annual	SO ₂	NO _x Ozone Season
CT-001	X	X	X
CT-002	x	X	X
СТ-003	х	X	X
CT-004	x	X	. X
СТ-005	x	X	X
CT-006	X	X	X
СТ-007	x	X	X
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STEP 3 Read the standard requirements and the certification, enter the name of the CAIR designated representative, and sign and date

Standard Requirements

(a) Permit Requirements.

(1) The CAIR designated representative of each CAIR NO_X source, CAIR SO₂ source, and CAIR NO_X Ozone Season source (as applicable) required to have a title V operating permit and each CAIR NO_X unit, CAIR SO₂ unit, and CAIR NO_X Ozone Season unit (as applicable) required to have a title V operating permit at the source shall:

(i) Submit to the permitting authority a complete CAIR permit application under §96.122, §96.222, and §96.322 (as applicable) in accordance with the deadlines specified in §96.121, §96.221, and §96.321 (as applicable); and

(ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review a CAIR permit application and issue or deny a CAIR permit.

(2) The owners and operators of each CAIR NO_X source, CAIR SO₂ source, and CAIR NO_X Ozone Season source (as applicable) required to have a title V operating permit and each CAIR NO_X unit, CAIR SO₂ unit, and CAIR NO_X Ozone Season unit (as applicable) required to have a title V operating permit at the source shall have a CAIR permit issued by the permitting authority under subpart CC, CCC, and CCCC (as applicable) of 40 CFR part 96 for the source and operate the source and the unit in compliance with such CAIR permit.

(3) Except as provided in subpart II, III, and IIII (as applicable) of 40 CFR part 96, the owners and operators of a CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) that is not otherwise required to have a title V operating permit and each CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) that is not otherwise required to have a title V operating permit are not required to submit a CAIR permit application, and to have a CAIR permit, under subpart CC, CCC, and CCCC (as applicable) of 40 CFR part 96 for such CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) and such CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable).

Plant Name (from Step 1)

STEP 3, continued

(b) Monitoring, reporting, and recordkeeping requirements.

(1) The owners and operators, and the CAIR designated representative, of each CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) and each CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) at the source shall comply with the monitoring, reporting, and recordkeeping requirements of subparts HH, HHH, and HHHH (as applicable) of 40 CFR part 96.

(2) The emissions measurements recorded and reported in accordance with subparts HH, HHH, and HHHH (as applicable) of 40 CFR part 96 shall be used to determine compliance by each CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) with the CAIR NO_x emissions limitation, CAIR SO₂ emissions limitation, and CAIR NO_x Ozone Season emissions limitation (as applicable) under paragraph (c) of §96.106, §96.206, and §96.306 (as applicable).

(c) Nitrogen oxides emissions requirements.

- (1) As of the allowance transfer deadline for a control period, the owners and operators of each CAIR NO_X source and each CAIR NO_X unit at the source shall hold, in the source's compliance account, CAIR NO_X allowances available for compliance deductions for the control period under §96.154(a) in an amount not less than the tons of total nitrogen oxides emissions for the control period from all CAIR NO_X units at the source, as determined in accordance with subpart HH of 40 CFR part 96.
- (2) A CAIR NO_X unit shall be subject to the requirements under paragraph (c)(1) of §96.106 for the control period starting on the later of January 1, 2009 or the deadline for meeting the unit's monitor certification requirements under §96.170(b)(1), (2), or (5) and for each control period thereafter.
- (3) A CAIR NO_X allowance shall not be deducted, for compliance with the requirements under paragraph (c)(1) of §96.106, for a control period in a calendar year before the year for which the CAIR NO_X allowance was allocated.
- (4) CAIR NO_X allowances shall be held in, deducted from, or transferred into or among CAIR NO_X Allowance Tracking System accounts in accordance with subparts FF, GG, and II of 40 CFR part 96.
- (5) A CAIR NO_x allowance is a limited authorization to emit one ton of nitrogen oxides in accordance with the CAIR NO_x Annual Trading Program. No provision of the CAIR NO_x Annual Trading Program, the CAIR permit application, the CAIR permit, or an exemption under §96.105 and no provision of law shall be construed to limit the authority of the State or the United States to terminate or limit such authorization.

(6) A CAIR NO_x allowance does not constitute a property right.

(7) Upon recordation by the Administrator under subpart EE, FF, GG, or II of 40 CFR part 96, every allocation, transfer, or deduction of a CAIR NO_x allowance to or from a CAIR NO_x source's compliance account is incorporated automatically in any CAIR permit of the source that includes the CAIR NO_x unit.

Sulfur dioxide emission requirements.

- (1) As of the allowance transfer deadline for a control period, the owners and operators of each CAIR SO₂ source and each CAIR SO₂ unit at the source shall hold, in the source's compliance account, a tonnage equivalent of CAIR SO₂ allowances available for compliance deductions for the control period under §96.254(a) and (b) not less than the tons of total sulfur dioxide emissions for the control period from all CAIR SO₂ units at the source, as determined in accordance with subpart HHH of 40 CFR part 96.
- (2) A CAIR SO₂ unit shall be subject to the requirements under paragraph (c)(1) of §96.206 for the control period starting on the later of January 1, 2010 or the deadline for meeting the unit's monitor certification requirements under §96.270(b)(1), (2), or (5) and for each control period thereafter.
- (3) A CAIR SO₂ allowance shall not be deducted, for compliance with the requirements under paragraph (c)(1) of §96.206, for a control period in a calendar year before the year for which the CAIR SO₂ allowance was allocated.
- (4) CAIR SO₂ allowances shall be held in, deducted from, or transferred into or among CAIR SO₂ Allowance Tracking System accounts in accordance with subparts FFF, GGG, and III of 40 CFR part 96.
- (5) A CAIR SO₂ allowance is a limited authorization to emit sulfur dioxide in accordance with the CAIR SO₂ Trading Program. No provision of the CAIR SO₂ Trading Program, the CAIR permit application, the CAIR permit, or an exemption under §96.205 and no provision of law shall be construed to limit the authority of the State or the United States to terminate or limit such authorization.

(6) A CAIR SO₂ allowance does not constitute a property right.

- (7) Upon recordation by the Administrator under subpart FFF, GGG; or III of 40 CFR part 96, every allocation, transfer, or deduction of a CAIR SO₂ allowance to or from a CAIR SO₂ source's compliance account is incorporated automatically in any CAIR permit of the source that includes the CAIR SO₂ unit.
- Nitrogen oxides ozone season emissions requirements.

 (1) As of the allowance transfer deadline for a control period, the owners and operators of each CAIR NO_X Ozone Season source and each CAIR NO_X Ozone Season unit at the source shall hold, in the source's compliance account, CAIR NO_X Ozone Season allowances available for compliance deductions for the control period under §96.354(a) in an amount not less than the tons of total nitrogen oxides emissions for the control period from all CAIR NO_X Ozone Season units at the source, as determined in accordance with subpart HHHH of 40 CFR part 96.
- (2) A CAIR NO_x Ozone Season unit shall be subject to the requirements under paragraph (c)(1) of §96.306 for the control period starting on the later of May 1, 2009 or the deadline for meeting the unit's monitor certification requirements under §96.370(b)(1), (2), (3) or (7) and for each control period thereafter.
- (3) A CAIR NO_X Ozone Season allowance shall not be deducted, for compliance with the requirements under paragraph (c)(1) of §96.306, for a control period in a calendar year before the year for which the CAIR NO_X Ozone Season allowance was allocated.
- (4) CAIR NO_X Ozone Season allowances shall be held in, deducted from, or transferred into or among CAIR NO_X Ozone Season Allowance Tracking System accounts in accordance with subparts FFFF, GGGG, and IIII of 40 CFR part 96.
- (5) A CAIR NO_X allowance is a limited authorization to emit one ton of nitrogen oxides in accordance with the CAIR NO_X Ozone Season Trading Program. No provision of the CAIR NO_X Ozone Season Trading Program, the CAIR permit application, the CAIR permit, or an exemption under §96.305 and no provision of law shall be construed to limit the authority of the State or the United States to terminate or limit such authorization.

(6) A CAIR NO_X allowance does not constitute a property right.

(7) Upon recordation by the Administrator under subpart EEEE, FFFF, GGGG, or IIII of 40 CFR part 96, every allocation, transfer, or deduction of a CAIR NO_X Ozone Season allowance to or from a CAIR NO_X Ozone Season source's compliance account is incorporated automatically in any CAIR permit of the source.

Plant Name (from Step 1)

STEP 3, continued

(d) Excess emissions requirements.

- If a CAIR NO_x source emits nitrogen oxides during any control period in excess of the CAIR NO_x emissions limitation, then:
- (1) The owners and operators of the source and each CAIR NO_X unit at the source shall surrender the CAIR NO_X allowances required for deduction under §96.154(d)(1) and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or applicable State law; and
- (2) Each ton of such excess emissions and each day of such control period shall constitute a separate violation of this subpart, the Clean Air Act, and applicable State law.

If a CAIR SO₂ source emits sulfur dioxide during any control period in excess of the CAIR SO₂ emissions limitation, then:

- (1) The owners and operators of the source and each CAIR SO₂ unit at the source shall surrender the CAIR SO₂ allowances required for deduction under §96.254(d)(1) and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or applicable State law; and
- (2) Each ton of such excess emissions and each day of such control period shall constitute a separate violation of this subpart, the Clean Air Act, and applicable State law.

If a CAIR NO_X Ozone Season source emits nitrogen oxides during any control period in excess of the CAIR NO_X Ozone Season emissions limitation, then:

- (1) The owners and operators of the source and each CAIR NO_x Ozone Season unit at the source shall surrender the CAIR NO_x Ozone Season allowances required for deduction under §96.354(d)(1) and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or applicable State law; and
- (2) Each ton of such excess emissions and each day of such control period shall constitute a separate violation of this subpart, the Clean Air Act, and applicable State law.

(e) Recordkeeping and Reporting Requirements.

- (1) Unless otherwise provided, the owners and operators of the CAIR NO_X source, CAIR SO₂ source, and CAIR NO_X Ozone Season source (as applicable) and each CAIR NO_X unit, CAIR SO₂ unit, and CAIR NO_X Ozone Season unit (as applicable) at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time before the end of 5 years, in writing by the permitting authority or the Administrator.
- (i) The certificate of representation under §96.113, §96.213, and §96.313 (as applicable) for the CAIR designated representative for the source and each CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) at the source and all documents that demonstrate the truth of the statements in the certificate of representation; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation under §96.113, §96.213, and §96.313 (as applicable) changing the CAIR designated representative.
- (ii) All emissions monitoring information, in accordance with subparts HH, HHH, and HHHH (as applicable) of 40 CFR part 96, provided that to the extent that subparts HH, HHH, and HHHH (as applicable) of 40 CFR part 96 provides for a 3-year period for recordkeeping, the 3-year period shall apply.
- (iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the CAIR NO_X Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_X Ozone Season Trading Program (as applicable).
- (iv) Copies of all documents used to complete a CAIR permit application and any other submission under the CAIR NO_X Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_X Ozone Season Trading Program (as applicable) or to demonstrate compliance with the requirements of the CAIR NO_X Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_X Ozone Season Trading Program (as applicable).
- (2) The CAIR designated representative of a CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) and each CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) at the source shall submit the reports required under the CAIR NO_x Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_x Ozone Season Trading Program (as applicable) including those under subparts HH, HHH, and HHHH (as applicable) of 40 CFR part 96.

(f) Liability

- (1) Each CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) and each NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) shall meet the requirements of the CAIR NO_x Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_x Ozone Season Trading Program (as applicable).
- (2) Any provision of the CAIR NO_x Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_x Ozone Season Trading Program (as applicable) that applies to a CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) or the CAIR designated representative of a CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) shall also apply to the owners and operators of such source and of the CAIR NO_x units, CAIR SO₂ units, and CAIR NO_x Ozone Season units (as applicable) at the source.
- (3) Any provision of the CAIR NO_x Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_x Ozone Season Trading Program (as applicable) that applies to a CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) or the CAIR designated representative of a CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) shall also apply to the owners and operators of such unit.

Plant Name (from Step 1)

STEP 3, continued

(g) Effect on Other Authorities.

No provision of the CAIR NO_X Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_X Ozone Season Trading Program (as applicable), a CAIR permit application, a CAIR permit, or an exemption under § 96.105, §96.205, and §96.305 (as applicable) shall be construed as exempting or excluding the owners and operators, and the CAIR designated representative, of a CAIR NO_X source, CAIR SO₂ source, and CAIR NO_X Ozone Season source (as applicable) or CAIR NO_X unit, CAIR SO₂ unit, and CAIR NO_X Ozone Season unit (as applicable) from compliance with any other provision of the applicable, approved State implementation plan, a federally enforceable permit, or the Clean Air Act.

Certification

I am authorized to make this submission on behalf of the owners and operators of the source or units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Name	Greg Kunkel, Vice President	
Signature	12 Kbl	Date 5 /31/2007